

VZCZCXYZ0002  
OO RUEHWEB

DE RUEHKT #2110/01 2161003  
ZNY CCCCC ZZH  
O 041003Z AUG 06  
FM AMEMBASSY KATHMANDU  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 2638  
INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 4636  
RUEHLM/AMEMBASSY COLOMBO PRIORITY 4885  
RUEHKA/AMEMBASSY DHAKA PRIORITY 0004  
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 2874  
RUEHLO/AMEMBASSY LONDON PRIORITY 4283  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 0066  
RUEKJCS/SECDEF WASHDC PRIORITY  
RHEFDIA/DIA WASHDC PRIORITY  
RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L KATHMANDU 002110

SIPDIS

NOFORN  
SIPDIS

E.O. 12958: DECL: 08/04/2016  
TAGS: [PGOV](#) [PTER](#) [NP](#)  
SUBJECT: NEPAL'S KING REMAINS ISOLATED

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Summary  
-----

¶1. (C) King Gyanendra's confidant Prabhakar Rana told the Ambassador on August 3 that popular animosity against the King had not died down since the April "People's Movement." Rana had suggested in vain that the King give his testimony to the high-level Rayamajhi Commission. Rana denied that the Army would protect the King over their own interests, and also denied that the King had been reaching out to the Maoists, although he was unable to say for sure. Rana also worried about the survival of the monarchy as an institution.

On the political front, Rana expressed concern about the health of Prime Minister GP Koirala and the lack of a successor to the PM. Rana predicted that the Nepali Congress (NC) and the Nepali Congress-Democratic (NC-D) might merge in the future, but that this merger could cause problems in choosing leadership of the party. End Summary.

King Should Take Proactive Steps To Rebuild His Reputation  
-----

¶2. (C) During an August 3 meeting with the Ambassador, King Gyanendra's confidant Prabhakar Rana expressed concern that animosity toward the King had not died down since the "People's Movement" in April 2006. Rana suggested that the King should be more proactive in finding opportunities to increase his popularity. Rana had suggested to the King that Gyanendra testify before the high-level Rayamajhi commission, giving the King a chance to explain his actions on his own terms. (Note: The Rayamajhi Commission was formed to investigate alleged abuses by the Royal Government during the People's Movement. End Note.) According to Rana, the King had no interest in his suggestion. Rana hoped the King would maintain a low profile over the next few months. Rana claimed the King had ruined his own reputation with the Army as well, who viewed him as a megalomaniac. Rana suggested that if the Nepal Army made any type of move in the future, it would be to protect its own interests, and not to protect the King.

Future Of The Monarchy Unsure...  
-----

¶3. (C/NF) The Ambassador asked Rana about the rumors that the King had been reaching out to the Maoists. While Rana's initial response was that the rumors were false, Rana immediately followed this by saying he would not be surprised if the King had reached out, since the Maoists had now come above ground. Rana was concerned about the Maoists and their intentions. Rana worried that if a referendum were held on the fate of the monarchy, the monarchy would not survive. Rana said the Indians told him that the King should, along with the Crown Prince, leave Nepal in order to preserve the monarchy, but Rana said he could not take such a message to the King.

#### Nepal's Political Future Unsure: Who Replaces The PM?

-----

¶4. (C) Rana suggested that the biggest political concern currently was the Prime Minister's health. He said there were four relatives of Prime Minister GP Koirala who would like to become the next Nepali Congress (NC) party President should the PM die (Sushil Koirala, cousin; Sujata Koirala, daughter; Shekhar Koirala, nephew; Shashank Koirala, nephew), but that most members of the party did not want any of them to become President. Rana believed the leading contender within the party to become Party President, and possibly the next PM, was Ram Chandra Poudel, NC Central Committee Member and General Secretary.

#### What About The Parties?

-----

¶5. (C) Rana said a group of people in the NC Central Committee were beginning to quietly think about the future, and the possible merging of the party with the Nepali Congress-Democratic (NC-D). Rana emphasized that if the two parties combined, then most of the conservative parties would join them, forcing the Communist Party of Nepal-United Marxist Leninist (CPN-UML) to remain a third force between the democratic forces in Nepal and the Maoists. Rana also expressed concern that some members of the CPN-UML may move over and join the Maoists if this occurred. Rana suggested that KP Oli, Deputy Prime Minister and Foreign Minister, and member of the CPN-UML, could branch off and form a new party that espoused socialist views while eschewing traditional communist ideology.

#### Comment

-----

¶6. (C) Rana has been helpful to us in the past and continues to provide us with useful insights into the palace. We have no reason to doubt the veracity of his information. We do not think that the King is the real issue at this time but will keep a close eye on the palace as events unfold. Our concern, and Rana's, is that there is no clear successor to GP Koirala as PM.

MORIARTY